

CAIRON'S CODE OF ETHICAL PURCHASING

Our Business Principles declare a commitment "to promote the application of our Business Principles by our business partners and suppliers." The following Code of Ethical Purchasing is to be read in conjunction with our Business Principles, and is designed to promote safe and fair working conditions, and the responsible management of environmental and social issues in Cairon's supply chain. The Code sets out the standards we wish to see achieved by Cairon and our suppliers over time.

The principle of continuous improvement applies to all aspects of the Code. In accordance with the implementation provisions of the Code, Cairon will require first level suppliers to acknowledge their understanding and acceptance of our Code and to confirm that they will comply. Cairon will work collaboratively with our suppliers on the implementation of the Code.

Cairon will encourage all suppliers to implement our Code across their whole business and within their own supply chains.

IMPLEMENTATION OF THE CODE

Communication

- Cairon will communicate and promote its Code of Ethical Purchasing internally and externally to relevant partners.
- Suppliers are encouraged to take all reasonable endeavours to promote the Code to their suppliers and subcontractors.
- Suppliers applying this code are expected to comply with all relevant laws, regulations and standards in all of the countries in which they operate.
- The Code is applied for the purposes of promoting safe and fair working conditions and the responsible management of environmental and social issues in Cairon's supply chain.
- Suppliers will be asked to confirm (in writing) that they are implementing the Code
- Ethical Business Practices in Purchasing and Supply.
- Cairon will work collaboratively with its suppliers on the implementation of the Code, which may include joint audits and site visits to assess performance against the Code.
- Suppliers will be asked to provide Cairon with reasonable access to all relevant information and premises for the purposes of assessing performance against the Code, and use reasonable endeavours to ensure that sub-contractors do the same.

Corrective Action

- Suppliers are expected to identify and correct any activities that fall below the standard of the Code.
- Suppliers shall immediately report to Cairon any serious breaches of the Code, together with an agreed schedule for corrective action.
- Where serious breaches of the Code persist, Cairon will consider termination of the business relationship with the supplier concerned.

Monitoring and Reporting

- Cairon's Corporate Responsibility and Purchasing teams will use a risk-based approach to monitor implementation of and adherence to the Code in our supply chain

CODE OF ETHICAL PURCHASING

1. Child Labour

- No person is employed who is below the minimum legal age for employment.
- Children (persons under 18 years) are not employed for any hazardous work, or work that is inconsistent with the child's personal development.
- Where a child is employed, the best interests of the child shall be the primary consideration.
- Policies and programmes that assist any child found to be performing child labour are contributed to, supported, or developed.

2. Forced Labour

- Forced, bonded or compulsory labour is not used and employees are free to leave their employment after reasonable notice. Employees are not required to lodge deposits of money or identity papers with their employer.

3. Health & Safety

- A healthy and safe working environment is provided for employees, in accordance with international standards and national laws. This includes access to clean toilet facilities, drinkable water and, if applicable, sanitary facilities for food storage.
- Where an employer provides accommodation, it shall be clean, safe and meet the basic needs of employees.

4. Freedom of Association

- As far as any relevant laws allow, all employees are free to join or not to join trade unions or similar external representative organisations.

5. Discrimination

- Negative discrimination including racial or sexual discrimination is prohibited.

6. Disciplinary Practices

- Employees are treated with respect and dignity. Physical or verbal abuse or other harassment and any threats or other forms of intimidation are prohibited.

7. Working Hours

- Working hours of employees comply with national laws and are not excessive. Minimum age is the age of completion of compulsory schooling, or not less than 15 years (or not less than 14 years, in countries where educational facilities are insufficiently developed). Personal development includes a child's health or physical, mental, spiritual, moral or social development. Forms of discrimination may include race, colour, sex, sexual orientation, religion, political opinion, nationality, social origin, social status, indigenous status, disability, age and union membership.
- Consideration should be given to the type of work performed and the acceptable working hours for the role and the country concerned.

8. Payment

- Employees understand their employment conditions and fair and reasonable pay and terms are provided.

9. Individual Conduct

- No form of bribery, including improper offers for payments to or from employees, or organisations, is tolerated.

10. Environment

- Processes are in place to actively improve the efficiency with which finite resources (such as energy, water, raw materials) are used.
- Appropriate management, operational and technical controls are in place to minimise the release of harmful emissions to the environment. In this context suppliers are requested to minimise harmful emissions referring to internal and external transport of their goods and services.
- Appropriate measures are in place to improve the environmental performance of products and services when in use by the end user.
- Innovative developments in products and services that offer environmental and social benefits are supported. Consideration should be given to the type of work performed and the market wage for the work as well as any statutory minimum wage for the country concerned.

Paderborn, April 2019

Bernd Lücke
Managing Director, CAIRON GmbH